

The South African War and Wheat

Some farmers are asking if the present war in South Africa will raise the price of wheat. There is no likelihood of its doing so to any great extent so long as the conflict is confined to its present limits. The war, so far, has had some effect, but it has been in the opposite direction. The engaging of a number of ocean steamers by the British Government for transporting troops to the Cape has caused a shortage in ocean freight space and an advance in freight rates across the Atlantic which has tended to lower values on this side, and to delay shipments considerably, not only of wheat, but of many other articles of export. But this will probably be only of a temporary character, though it is possible that the advance in ocean freights may continue throughout the season, owing to the large shipments to be made.

The chief reason why this war will not have much effect upon the wheat market is that no large wheat-producing country is involved in it. Unless it develops into European complications, which is unlikely, the world's wheat markets will continue to be controlled and influenced by the usual supply and demand. This is what the consumer and producer of wheat the world over has to figure upon. A wheat corner such as we had a year ago may create a temporary flurry, but it is of very transitory character, and disappears as quickly as it comes.

The present position of the wheat situation is not one strongly favoring the producer. With the world's supply in sight 75,962,000 bushels, as compared with 39,316,000 a year ago, and with large supplies on hand in the leading European buying countries, there is not much ground for expecting higher prices. The estimated reduction in the world's wheat crop for 1899, referred to in FARMING for October 24th, of about 300,000,000 bushels, will have the effect, if nothing more, of preventing values from going any lower. The large surplus from the 1898 crop tends to counteract any effect this year's shortage might have in stimulating values.

While this is the situation, as far as we can estimate it, from a statistical point of view, wheat shipments have been liberal and trade fairly active. Had it not been for this temporary set-back due to the removal of vessels from the Atlantic trade, there would ere this have been a much more active export trade in wheat than there is at the present time. This activity would, no doubt, have had a wholesome effect upon the market, and perhaps have advanced values somewhat. But, as we have already pointed out, this falling off in shipments is only of a temporary character, and we may look forward to normal conditions, so far as the ocean freight service is concerned, being restored at an early date.



Cheese and Butter Outlook

While prices for dairy products are good as compared with what they were other years at this time, still they are lower than many in the trade expected a month or two ago. At that time the pastures were parched and dry and the supply of milk at the cheese factories and creameries had fallen off at least one-third. The producer was led to believe from this that such a great shortage in supplies would result in causing the season's trade to end at even higher prices than were being paid at that time. But such expectations have not been realized and during the past week or two prices for both cheese and butter have lowered considerably. The outlook just now seems to be that prices for both products the balance of the season will not be much if any higher than they are at the present time.

The situation so far as cheese is concerned is not an unusual one. Since our export trade in this product assumed anything like large proportions it has been the almost infallible rule that as soon as values on this side made it

necessary for the British retailer to put his selling price above 5d. or 6d. per lb., consumption began to fall off very rapidly. This season has proved to be no exception to the rule though it was expected by some earlier in the season that it would prove so. The large shortage in the English make caused the market at the beginning of the season to assume a strong tone which has continued nearly all the time, bringing with it a rapid advance in prices and making cheese-making a very profitable business for the farmer. At one time factorymen were offered 12 cents for their cheese but they wanted more, having full confidence in the strength of the market. But they have miscalculated and to-day from 11 to 11 $\frac{1}{8}$ c. are the ruling figures for prime autumn stock. However, 11 cents is no mean figure for September or October goods, and if factorymen can dispose of their output at this figure they will be doing better than they have done for several years back and have no cause to grumble.

The cheese situation is by no means a weak one even if prices are lower, and we would not be surprised if the highest prices of the season were reached before the year's product is disposed of. The English dealer is evidently playing a waiting game and is not laying in his winter's supply as early as other seasons, the reason being that he considers present values too high; and who should blame him? Two years ago his winter's supply was bought at a half to a cent a pound less than is being paid this fall, and he lost heavily on the transaction. This year he seems determined not to be caught and is satisfied to wait for factorymen on this side to drop a little in their ideas of values. But he may wait too long and there may yet be a scramble to get cheese that will send values up with a rush. We would not, however, advise farmers to wait for it as it is somewhat uncertain. It is better to sell at the top price when the cheese is ready to ship rather than to wait for an extra high price that may never come. There are undoubtedly less stocks of cheese stored at this season than for several years back, and the total shipments from Montreal so far this season are over 17,000 boxes more than they were last year at this time. The exports from New York also show a decrease of over 14,000 boxes for the same period. But this decrease is more than made up by the shipments from Portland this year, which now amount to 44,176 boxes, thus leaving a net increase from this side of over 46,000 boxes.

The butter situation on the whole, so far as the export trade is concerned, does not seem to be as strong as that of cheese. There is, however, no ground for apprehension in regard to it. Even at present prices farmers are getting as much if not more than they got for their butter last year. From 20 to 21c. per lb., everything considered, is good price for creamery butter at this time of the year, and if it can be maintained during the winter season there should be no ground for complaint. It must be remembered that prices this season have been almost unprecedentedly high, and that our shipments of choice creamery butter so far are double of what they were last year for the same period. With the large increase in shipments both from Canada and the United States it is somewhat surprising that prices have been as well maintained as they have been. The reason has been a shortage in the English make coupled with the superior quality of Canadian creamery butter which has caused it to be in better demand than other years. But supplies have increased during the past few weeks in the English market and more butter is being produced in the home creameries. This, coupled with the arrival of some large shipments earlier than usual from Australia, has been the chief cause of the recent depression in values.

One gratifying feature of the recent slump in prices is that Canadian has not dropped as much in value as some of the other countries that supply butter to Great Britain. While Danish butter has suffered a decline of 20s. to 25s. Canadian has only dropped 10s. or 12s. per cwt. in price. The outlook then is not an unhopeful one, and with prices at 20 to 21 cents for fresh creamery our dairymen should